

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 24-25, 2003

Reference No.: 2.8b.
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: Terry Abbott
Division Chief
Local Assistance

Ref: **REQUEST TO EXTEND THE PERIOD OF CONTRACT AWARD PER RESOLUTION G-01-21, FOR LOCAL STIP PROJECTS WAIVER-03-23**

ISSUE:

The California Transportation Commission (Commission) allocated construction funds totaling \$1,323,000 for the three projects shown on the attached list. The implementing agencies have been unable to award the contracts and do not anticipate awarding the contracts by their respective deadlines. The attachment shows the details of each project and the delays that have resulted in the extension requests. The project sponsors request extensions, and the planning agencies concur.

RECOMMENDATION:

The Department of Transportation's recommendation for each project is shown on the attachment.

BACKGROUND:

Resolution G-01-21, STIP Guidelines, adopted by the Commission on July 12, 2001, stipulates that funds allocated for the construction phase of local grant projects are available for contract award for a period of 12 months from the date of allocation. The guidelines further stipulate that the Commission may approve a waiver to the contract award deadline one time only for up to 20 months in accordance with Section 14529.8 of the Government Code.

Attachment

Time Extension/Waiver – Contract Award
Local Streets and Roads Projects
Program Year 2003/2004

Project #	Applicant County	Extension Amount By Component (\$ in thousands)	Number of Months Requested
	PPNO Project Description	E&P PS&E R/W CON Total	Extended Deadline CT Recommendation
	Reason for Project Delay:		
1	City of Clearlake Lake	\$0 \$0 \$0 \$185 \$185	18 months 4/02/2005 Support – meets STIP guidelines
	<p>Prior to construction being done, all overhead utilities in the area (power and telephone) must be placed underground. The rehabilitation and realignment cannot be completed until existing poles are removed. The utility companies have estimated that the undergrounding process (including trenching, cabling, conversion and removal of the overhead system) should be completed by the end of 2004. This assumes that all necessary right-of-way easements can be obtained. This delays construction of the project until the 2005 construction season. Therefore, the City is requesting an extension of 18 months for construction contract award.</p>		
2	County of Ventura Ventura	\$0 \$0 \$0 \$640 \$640	12 months 11/07/2004 Support – meets STIP guidelines
	<p>The request to proceed with construction in order to advertise was submitted on June 19, 2003. The County expected to receive obligation/authorization by July 15, 2003, allowing a suitable amount of time to award the contract by the deadline of November 7, 2003. However, due to the State's budget crisis, obligations have been limited. Obligations have been made only for projects on a project priority list, which does not include this project. The County has been notified that obligation for this project could be as late as next fiscal year.</p> <p>An additional reason for this extension request is that the County cannot begin construction until two oil lines are relocated by Venoco Oil. This relocation has not yet been completed.</p> <p>Due to these circumstances, the County is requesting an extension of 12 months for construction contract award.</p>		
3	County of Inyo Inyo	\$0 \$0 \$0 \$498 \$498	12 months 10/03/2004 Support – meets STIP guidelines
	<p>As part of the preliminary engineering for the timber bridge replacement, the County had a foundation study prepared. Due to subsurface sands with the potential for liquefaction, the foundation study recommends the use of driven piles for support of the structure. Unfortunately, a pile foundation could be much more costly than the shallow foundation that was anticipated in the preliminary estimate. In order to account for the potentially higher bridge costs, the County prepared the bid documents with an alternate for the bridge replacement.</p> <p>In order to comply with the current award deadline, the project is currently being advertised and the bids will be opened in mid-September. The County is hoping that reasonable bids will be received such that the contract can be awarded for all of the work anticipated. However, if the bridge costs are higher than estimated, the project can possibly be awarded for the road resurfacing only, without the bridge alternate. Another alternative would be to obtain additional funding to cover the additional bridge costs. A third possibility is that unreasonable bids may be received for all the work, leading to a rejection of the bids.</p> <p>In any of the three scenarios mentioned above, additional time will be required to make changes to the project. Also, environmental concerns for the bridge replacement restrict the time for bridge construction to the period between September 1 and October 31. Consequently, in order to coordinate all the anticipated work with the next available window for bridge construction, the County is requesting a 12-month time extension of the award deadline.</p>		